



Research Article

Incentive Strategies and Employee Motivation in Retail: Exploring Intrinsic, Extrinsic Rewards and Employment Classification

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Abstract. This study examined how intrinsic and extrinsic rewards relate to employee motivation in appliance retail and whether motivation differs by employment classification. A quantitative descriptive-correlational design used a structured survey of employees. Data were analyzed using descriptive statistics, Pearson correlation, and an independent-samples t-test. Both reward types were perceived as highly effective, and employees reported generally high motivation. Work engagement ranked highest, followed by job satisfaction and organizational commitment. Intrinsic rewards had a strong positive correlation with motivation, while extrinsic rewards had a very strong positive correlation. Full-time employees reported significantly higher motivation than non-regular employees. Although engagement and satisfaction were high, comparatively lower organizational commitment suggests a need to strengthen employees' attachment to their organizations. The study recommends balanced, inclusive incentive systems combining recognition, fair compensation, and equitable reward opportunities to support employee motivation, sustain work engagement, and strengthen organizational commitment across employment classifications in the appliance retail sector.

Keywords: *Intrinsic rewards; Extrinsic rewards; Employee motivation; Retail industry; Job satisfaction; Work engagement; Organizational commitment; Incentive strategies.*

In the retail industry, where businesses strive to succeed in a constantly changing competitive environment, rewards and incentives remain among the most effective motivators for better performance and satisfaction, especially in the retail sector. It was pointed out that financial and non-financial rewards were among the key encouragers of employees, which resulted in greater job satisfaction and increased productivity. This understanding enabled managers to take effective action to improve collaboration and dedication among workers. Consequently, initiatives in this direction included recognizing individual contributions to the team's success, whether partial or overall, within the organization's strategies (Tenney et al., 2024).

Empirical evidence further demonstrates that intrinsic motivation and extrinsic incentives jointly predict employee performance outcomes (Cerasoli et al., 2021), while organizational resources and engagement climate significantly influence employee engagement and job satisfaction (Albrecht et al., 2021). By aligning individual contributions with organizational goals, these strategies enable managers to foster collaboration, improve performance, and sustain competitive advantage. This is further reinforced by Gerhart & Fang (2021), who argued that compensation systems and intrinsic motivation interact dynamically rather than independently, shaping both short-term performance and long-term behavioral outcomes.



Retail organizations operate within complex employment structures, typically comprising company-hired and agency-hired employees who have varying access to incentives and organizational support (Smith & Zheng, 2022). This structural variation matters, as De Cuyper et al. (2021) showed that temporary and non-regular employment is consistently associated with lower well-being, reduced organizational attachment, and weaker access to motivational resources. This diversity presents challenges in maintaining consistent motivation, particularly in a sector marked by high turnover rates and fluctuating operational demands. Consequently, well-designed incentive systems, including performance-based compensation, recognition programs, and career development opportunities, play a crucial role in aligning employee behavior with organizational objectives.

Employee motivation is closely linked to key organizational outcomes such as job satisfaction, work engagement, and commitment to organizational goals. Incentives that combine fair compensation, recognition, and growth opportunities contribute to higher satisfaction and sustained engagement (Lathiifa & Chaerudin, 2022). However, despite extensive research on employee motivation, limited empirical studies have examined how intrinsic and extrinsic rewards simultaneously influence multiple dimensions of motivation within retail contexts, particularly in developing economies. Moreover, the role of employment classification as a structural factor influencing motivation remains underexplored. These gaps highlight the need for a more integrated and context-specific analysis of incentive strategies in labor-intensive retail environments.

This study focuses on the appliance retail sector, examining how intrinsic and extrinsic incentive strategies influence employee motivation in terms of job satisfaction, work engagement, and organizational commitment, while also investigating differences in motivation across employment classifications. This study addresses these gaps by examining the relationship between incentive strategies and employee motivation in the appliance retail sector. Specifically, it aims to: assess the perceived effectiveness of intrinsic and extrinsic rewards; determine the level of employee motivation in terms of job satisfaction, work engagement, and organizational commitment; and examine the relationship between incentive strategies and motivation.

This study is anchored in an integrative framework that combines Self-Determination Theory (SDT), Herzberg's Two-Factor Theory, and Expectancy and Equity Theories to explain employee motivation in the retail industry. SDT posits that individuals are intrinsically motivated when their needs for autonomy, competence, and relatedness are satisfied (Edward Deci & Richard Ryan, 2000). In retail settings, intrinsic rewards such as recognition, meaningful work, and growth opportunities enhance engagement, satisfaction, and long-term commitment. Complementing this, Frederick Herzberg (1959) distinguishes intrinsic motivators from extrinsic hygiene factors: intrinsic rewards drive satisfaction, while extrinsic rewards—such as salary and benefits—prevent dissatisfaction and reinforce performance. Further, Victor Vroom (1964) explains that motivation depends on the perceived link between effort, performance, and rewards, while John Stacey Adams (1963) emphasizes that perceived fairness in reward distribution influences motivation and commitment. These perspectives are particularly relevant in retail contexts characterized by performance-based incentives and diverse employment arrangements. Building on these theories, this study introduces employment classification as a moderating variable, recognizing that differences in job security and access to incentives shape employees' motivational responses. Thus, employee motivation is conceptualized as a multidimensional construct influenced by the interaction of intrinsic and extrinsic rewards and employment conditions.

Guided by these theoretical foundations, this study proposes that intrinsic and extrinsic rewards are primary determinants of employee motivation, while employment classification moderates these relationships. Intrinsic rewards, such as recognition, meaningful work, and opportunities for growth, and extrinsic rewards, including salary, benefits, and incentives, are expected to influence employee motivation, which is operationalized through job satisfaction, work engagement, and organizational commitment. While both forms of rewards positively affect motivation, extrinsic rewards are expected to have a stronger influence in the retail context because of their direct link to financial stability and performance outcomes, whereas intrinsic rewards contribute to sustained engagement and psychological fulfillment. Overall, the framework suggests that employee motivation is a multidimensional outcome shaped not only by incentive structures but also by the conditions under which these incentives are accessed, highlighting the importance of equitable and inclusive reward systems in the retail industry. Figure 1 presents the study's conceptual framework, illustrating the relationships between intrinsic and extrinsic rewards and employee motivation, as well as the moderating role of employment classification.

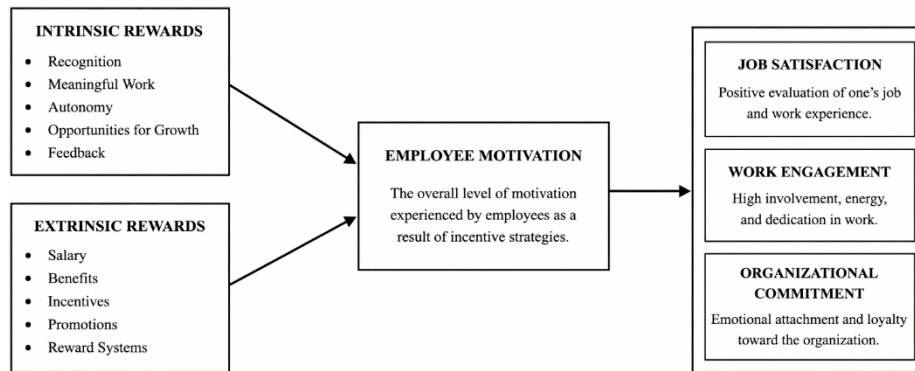


Figure 1. Conceptual framework showing the influence of intrinsic and extrinsic rewards on employee motivation, with employment classification as a moderating variable.

Methodology

Research Design

The study employed a descriptive-correlational design to examine the relationship between incentive strategies and employee motivation in the retail industry. A total enumeration sampling technique was used, where all eligible employees who met the inclusion criteria were included as participants in the study. This ensured complete representation of both company-hired and agency-hired employees within the selected retail establishments.

The descriptive component gathered data on employees' demographic profiles and their perceptions of intrinsic and extrinsic rewards, as well as their motivation in terms of commitment to organizational goals, job satisfaction, and work engagement. The correlational component analyzed statistical relationships between incentive strategies and employee motivation, determining whether intrinsic and extrinsic rewards significantly influenced workforce engagement and performance outcomes. Data were collected using structured survey questionnaires aligned with the research objectives, and Pearson correlation was used to measure the strength and direction of these relationships. The analysis provided empirical evidence to inform workforce management practices, improve employee retention, and optimize incentive programs in the retail industry.

Research Participants

The participants consisted of 100 frontline employees from two appliance retail establishments in Bacolod City, Philippines. The participants included both company-hired and agency-hired employees to allow for a comparative analysis of different incentive structures. To ensure participants had sufficient exposure to the organization's reward system, the study included full-time and probationary employees with at least twelve (12) months of tenure. Participants were between 18 and 59 years old. No vulnerable populations were included in the study, such as economically disadvantaged individuals, persons with disabilities (PWDs), indigenous peoples (IPs), or elderly individuals. Retail managers and supervisors were excluded, as their roles and incentive structures differ significantly from those of frontline staff.

Research Instrument

Data were collected using a structured survey questionnaire grounded in established theoretical frameworks, including Herzberg's Two-Factor Theory and Self-Determination Theory, which distinguish between intrinsic and extrinsic sources of motivation. The instrument consisted of three sections: demographic profile, incentive strategies, and employee motivation. All items were measured using a five-point Likert scale (1 = Very Low to 5 = Very High). Likert scaling was appropriate for capturing perceptual and attitudinal data and allowed quantitative analysis of subjective employee experiences. The instrument underwent expert review and pilot testing to ensure content validity and clarity. Internal consistency was assessed using Cronbach's alpha; coefficients met acceptable thresholds ($\alpha \geq 0.70$), indicating reliable measurement of constructs.

Data Collection Procedure

Data collection was conducted by trained enumerators to minimize bias and avoid potential coercion. Participants were oriented to the purpose, procedures, and voluntary nature of the study before survey administration. Surveys were administered either face-to-face or via secure online platforms, depending on participant accessibility. The study strictly maintained confidentiality, with no personal identifiers collected. Data collection was scheduled during participants' non-working hours to avoid disruption of job responsibilities. All responses were stored securely in password-protected files, and physical copies were kept in locked storage.

Data Analysis

Data were analyzed using the Statistical Package for the Social Sciences (SPSS), employing both descriptive and inferential statistical techniques to ensure comprehensive analysis and interpretation. Descriptive statistics, specifically frequency, percentage, mean, and standard deviation, were used to summarize participant characteristics and assess the levels of intrinsic rewards, extrinsic rewards, and employee motivation, with the mean indicating central tendency for Likert-scale responses and the standard deviation reflecting the variability or consistency of employee perceptions.

To examine relationships between variables, the Pearson Product-Moment Correlation Coefficient (Pearson r) was utilized. This statistical technique was appropriate because the variables were measured at an interval level and met the assumptions of normality. Pearson correlation enabled the study to determine both the strength (magnitude) and direction (positive or negative) of the relationships between incentive strategies and employee motivation. In this context, strong positive correlations indicated that higher levels of perceived incentives were associated with higher levels of motivation, supporting the study's theoretical framework.

An independent samples t-test was conducted to determine whether significant differences existed in motivation across employment classifications (e.g., full-time vs. contractual/part-time employees). This test was suitable for comparing mean scores between two independent groups and determining whether observed differences were statistically significant rather than due to random variation.

Results and Discussion

Perceived Level of Effectiveness of Intrinsic Rewards as Work Motivators

Table 1. *Perceived Effectiveness of Intrinsic Rewards*

Intrinsic Rewards Indicators	Mean	SD	Interpretation
1. Recognized and appreciated for work contributions	3.71	0.89	High
2. Opportunities for career growth and professional development	3.63	0.91	High
3. Meaningful work assignments for personal growth	3.66	0.88	High
4. Encouraged to take initiative and contribute new ideas	3.88	0.74	High
5. Constructive feedback helps improve performance	3.63	0.84	High
Grand Mean	3.70	0.85	High

Intrinsic rewards were assessed in terms of recognition, career development, meaningful work, initiative, and constructive feedback. Overall, intrinsic rewards were perceived as highly effective (Grand Mean = 3.70, SD = 0.85), indicating that non-monetary incentives play a significant role in motivating employees in the retail industry. The moderate standard deviation suggests relatively consistent perceptions across participants. Among the indicators, encouragement to take initiative and contribute ideas had the highest mean ($M = 3.88$, $SD = 0.74$), highlighting empowerment as a key driver of motivation. The low variability further indicates strong agreement among employees regarding the motivational value of autonomy and participation. This finding supports prior research emphasizing the role of empowerment and autonomy in enhancing engagement and job satisfaction (Manzoor et al., 2021).

Recognition ($M = 3.71$, $SD = 0.89$) and meaningful work ($M = 3.66$, $SD = 0.88$) were also rated highly, suggesting that employees value appreciation and purposeful job roles. However, the higher variability in responses suggests these intrinsic rewards may not be experienced consistently across the organization. In contrast, career development opportunities ($M = 3.63$, $SD = 0.91$) and constructive feedback ($M = 3.63$, $SD = 0.84$), although still rated high, received the lowest mean scores. The higher standard deviation for career development suggests uneven access to growth opportunities, indicating potential implementation gaps. This pattern implies that while

employees recognize the importance of these factors, they may not be uniformly available.

From a theoretical perspective, these findings align with Herzberg's Two-Factor Theory, which posits that intrinsic factors such as achievement, recognition, and personal growth drive job satisfaction. However, their effectiveness depends on consistent organizational application. Empirical studies in retail contexts further confirm that intrinsic rewards positively influence engagement and performance (Harunavamwe et al., 2013). Overall, the results indicate that intrinsic rewards—particularly empowerment, recognition, and meaningful work—are central to sustaining employee motivation. However, the observed variability suggests organizations need to strengthen the consistency of career development and feedback mechanisms to ensure equitable access and maximize their motivational impact.

Perceived Level of Effectiveness of Extrinsic Rewards as Work Motivators

Table 2. *Perceived Effectiveness of Extrinsic Rewards*

Extrinsic Rewards Indicators	Mean	SD	Interpretation
Salary is fair and competitive	3.68	0.87	High
Benefits provided by the organization are satisfactory	3.70	0.86	High
Bonuses/performance incentives motivate harder work	3.59	0.93	High
Incentive system is transparent and fairly distributed	3.66	0.94	High
Employee achievements are recognized through rewards/promotions	3.68	0.89	High
Grand Mean	3.66	0.90	High

Extrinsic rewards were perceived as highly effective motivators ($M = 3.66$, $SD = 0.90$), reaffirming the central role of financial and material incentives in the retail sector. The relatively moderate variability indicates general agreement among employees, although differences in experience and access to rewards remain evident. Among the indicators, benefits satisfaction emerged as the strongest motivator ($M = 3.70$, $SD = 0.86$), highlighting the importance of financial security and organizational support in shaping employee motivation. Similarly, salary fairness ($M = 3.68$, $SD = 0.87$) and recognition through rewards and promotions ($M = 3.68$, $SD = 0.89$) were rated highly, suggesting that both economic stability and performance acknowledgment are key drivers of employee engagement. These findings are consistent with earlier studies identifying compensation and benefits as primary determinants of motivation (Wiley, 1997; Aamir et al., 2012). In retail contexts, monetary rewards have been shown to significantly influence frontline employee motivation and retention, particularly in high-turnover environments (Doan et al., 2025; Khusniah et al., 2025; Moreen et al., 2025).

However, performance-based incentives (bonuses) received the lowest mean score ($M = 3.59$, $SD = 0.93$) and exhibited the highest variability, indicating divergent perceptions among employees. This pattern suggests a preference for stable and predictable compensation systems over variable rewards, which may be perceived as inconsistent or uncertain. This finding supports Ajmal et al. (2015), who reported that employees are more strongly motivated by consistent rewards than occasional incentives. Similarly, the relatively higher variability in perceptions of reward transparency and fairness ($M = 3.66$, $SD = 0.94$) indicates that not all employees experience incentive systems uniformly. Such inconsistencies may affect trust and weaken the motivational impact of rewards. Theoretically, this aligns with Expectancy Theory (Vroom, 1964), which posits that motivation depends on the perceived link between effort, performance, and valued outcomes. When reward systems are perceived as inequitable or unpredictable, this linkage may be disrupted, reducing overall motivation. Overall, the findings suggest that extrinsic rewards play a dominant role in driving short-term motivation and performance in the retail industry. However, their effectiveness depends on fairness, transparency, and consistent implementation. Ensuring equitable access to rewards and clear communication of incentive structures is therefore essential in maximizing their motivational impact.

Level of Work Motivation Among Employees in the Retail Industry

Motivation was assessed through job satisfaction, work engagement, and commitment to organizational goals. Results indicate high job satisfaction among retail employees ($M = 3.68$, $SD = 0.87$), suggesting generally positive and relatively consistent perceptions of work roles and environments. This finding aligns with Karatepe & Olugbade (2020), who found that job satisfaction and engagement are strongly linked to service performance and employee retention, particularly in customer-facing industries.

Table 3. *Job Satisfaction*

Job Satisfaction Indicators	Mean	SD	Interpretation
Satisfied with responsibilities and workload	3.70	0.91	High
Work gives sense of accomplishment	3.71	0.84	High
Good work-life balance	3.50	1.01	High
Organization supports well-being	3.70	0.88	High
Opportunities to use skills and abilities	3.98	0.72	High
Grand Mean	3.68	0.87	High

The strongest contributor to satisfaction was the opportunity to use skills and abilities ($M = 3.98$, $SD = 0.72$), indicating that employees derive greater fulfillment when they can effectively apply their competencies. This supports Frederick Herzberg (2017), who emphasized achievement and personal growth as key intrinsic motivators. Work-life balance received the lowest rating ($M = 3.50$, $SD = 1.01$), with higher variability indicating uneven employee experiences. Other indicators, including satisfaction with responsibilities and workload ($M = 3.70$, $SD = 0.91$) and organizational support for well-being ($M = 3.70$, $SD = 0.88$), also showed moderate variability, suggesting differences in employee experiences across these dimensions. Furthermore, Stringer et al. (2011) noted that extrinsic rewards may negatively influence job satisfaction when perceived as inequitable, implying that the high satisfaction levels observed reflect perceived fairness in the reward system. Overall, job satisfaction in retail is shaped by both intrinsic fulfillment and extrinsic support, highlighting the importance of maintaining equitable and consistently implemented organizational practices.

Work Engagement Indicators

Table 4. *Work Engagement*

Work Engagement Indicators	Mean	SD	Interpretation
Enthusiastic and energized about the job	3.79	0.83	High
Job feels fulfilling and accomplished	3.68	0.96	High
Motivated to perform best at work	3.86	0.80	High
Grand Mean	3.77	0.86	High

Work engagement among retail employees is high ($M = 3.77$, $SD = 0.86$), indicating strong enthusiasm and dedication with relatively consistent responses. The highest-rated indicator, motivation to perform best at work ($M = 3.86$, $SD = 0.80$), reflects a uniformly strong drive for performance. This supports the view of Abidin et al. (2021) that engagement is characterized by vigor, dedication, and absorption, which are linked to productivity and commitment. This also supports the engagement climate perspective of Albrecht et al. (2021), which emphasizes that organizational resources and supportive environments systematically enhance employee engagement across work contexts. In contrast, job fulfillment ($M = 3.68$, $SD = 0.96$) shows greater variability, suggesting that not all employees consistently experience a strong sense of accomplishment. This aligns with Riyanto et al. (2021), who emphasized that engagement is shaped by organizational support, leadership, and rewards, and mediates the relationship between motivation and performance. Overall, engagement appears to be driven by both intrinsic fulfillment and extrinsic reinforcement, with results suggesting that organizations need to enhance fulfillment and ensure more consistent engagement across employees.

Commitment to Organization Goals

Employees demonstrate a high level of commitment ($M = 3.64$, $SD = 0.96$), although the higher variability suggests uneven attachment across individuals. Long-term commitment ($M = 3.70$, $SD = 0.99$) is slightly stronger than sense of belonging ($M = 3.59$, $SD = 0.93$), indicating that retention may be driven more by practical considerations than emotional attachment. This pattern aligns with Oliveira et al. (2024), who found that perceived fairness and supportive environments strengthen organizational commitment. Both intrinsic rewards ($M = 3.70$, $SD = 0.85$) and extrinsic rewards ($M = 3.66$, $SD = 0.90$) appear to underpin this commitment. Intrinsic factors such as recognition and meaningful work enhance psychological attachment, consistent with Manzoor et al. (2021), while extrinsic incentives reinforce retention through tangible benefits, as Ajmal et al. (2015) support. Together, these findings confirm that a balanced reward system strengthens employee loyalty and engagement.

Table 5. *Commitment to Organizational Goals*

Commitment Indicators	Mean	SD	Interpretation
Strong sense of belonging	3.59	0.93	High
Committed to staying long-term	3.70	0.99	High
Grand Mean	3.64	0.96	High

However, the lower and more variable sense of belonging suggests that commitment is not uniformly internalized, supporting Equity Theory (Adams, 1963), which holds that perceived fairness influences employee attitudes. Consistent with Oliveira et al. (2024) and Ajmal et al. (2015), fair, well-implemented reward systems are critical to sustaining commitment. Overall, commitment in the retail context is shaped by both psychological fulfillment and economic security. The results highlight the need for organizations to strengthen emotional attachment while maintaining equitable reward structures to ensure more consistent and sustained employee commitment.

Summary of Motivation Levels

Table 6. *Summary of Motivation Levels*

Dimension	Grand Mean	SD	Interpretation
Job Satisfaction	3.68	0.87	High
Work Engagement	3.77	0.86	High
Commitment	3.64	0.96	High
Overall Motivation	3.70	0.86	High

Overall employee motivation in the retail industry is high ($M = 3.70$, $SD = 0.86$), indicating strong and consistent engagement, satisfaction, and commitment across respondents. Among the dimensions, work engagement is highest ($M = 3.77$, $SD = 0.86$), followed by job satisfaction ($M = 3.68$, $SD = 0.87$) and commitment ($M = 3.64$, $SD = 0.96$). The lower variability in engagement and higher variability in commitment suggest that employees are more consistently involved in their tasks than emotionally attached to the organization. This pattern indicates that motivation is largely task-oriented: employees show strong energy and dedication in their roles but exhibit more varied levels of organizational attachment. This supports Employee Engagement Theory, which posits that engaged employees display vigor and dedication that enhance performance (Abidin et al., 2021).

The high motivation level can be attributed to the combined influence of intrinsic and extrinsic rewards. This is further explained by Herzberg's Two-Factor Theory (Herzberg, 2017), where intrinsic factors drive satisfaction while extrinsic factors prevent dissatisfaction. Moreover, the close mean values across dimensions confirm that motivation is a multidimensional construct, aligning with Riyanto et al. (2021), who found that engagement, satisfaction, and commitment collectively influence performance. However, the relatively lower and more variable commitment suggests a need to strengthen organizational attachment, as Smith and Zheng (2022) also noted in retail contexts. Overall, while motivation is strong, organizations should complement task-related engagement with strategies that enhance long-term commitment through equitable rewards, career development, and supportive organizational culture.

Relationship Between Intrinsic Rewards and Motivation

Table 7. *Pearson Correlation Between Intrinsic Rewards and Motivation*

Variables	Pearson r	p	Decision	Interpretation
Intrinsic Rewards vs Motivation	0.860	<.001	Reject H_{01}	Significant

A strong positive relationship exists between intrinsic rewards and employee motivation ($r = 0.860$, $p < .001$), indicating that higher perceptions of intrinsic rewards are associated with higher levels of motivation ($M = 3.70$, $SD = 0.86$). Since the computed p-value is less than the 0.05 level of significance, the null hypothesis (H_{01}) is rejected. The significance level confirms that intrinsic rewards are a critical determinant of employee motivation in the retail context. This result is consistent with Ryan & Deci (2020), which posits that intrinsic motivation is sustained when psychological needs for autonomy, competence, and relatedness are fulfilled.

This finding suggests that recognition, meaningful work, autonomy, and growth opportunities enhance employees' internal drive, leading to higher engagement, satisfaction, and commitment. It supports Herzberg's Two-Factor Theory, which identifies intrinsic factors as primary drivers of satisfaction. Employees who feel a

sense of purpose and receive recognition tend to show stronger involvement and sustained motivation. Empirical evidence further confirms that intrinsic rewards promote psychological fulfillment and professional growth, which are essential for maintaining long-term motivation and engagement (Manzoor et al., 2021). These results indicate that intrinsic reward systems are central to fostering employee motivation, emphasizing the need for organizations to strengthen recognition, empowerment, and meaningful work practices.

Relationship Between Extrinsic Rewards and Motivation

Table 8. *Pearson Correlation Between Extrinsic Rewards and Motivation*

Variables	Pearson r	p	Decision	Interpretation
Extrinsic Rewards vs Motivation	0.910	<.001	Reject H ₀₂	Significant Very Strong Positive

Table 8 indicates a very strong positive relationship between extrinsic rewards and employee motivation ($r = 0.910$, $p < .001$), leading to the rejection of the null hypothesis. This result demonstrates that extrinsic rewards significantly influence overall motivation ($M = 3.70$, $SD = 0.86$). The magnitude of the correlation suggests that financial incentives such as salary, benefits, bonuses, and promotions are key drivers of employee behavior, strongly associated with higher levels of job satisfaction, work engagement, and organizational commitment. This finding is consistent with prior research showing that compensation systems directly influence employee attitudes and performance outcomes (Ajmal et al., 2015). This is also supported by the meta-analysis of Cerasoli et al. (2021), which showed that intrinsic motivation and extrinsic incentives jointly predict performance, with extrinsic rewards exerting a stronger influence in structured, performance-driven environments.

Extrinsic rewards also shape perceptions of fairness and organizational support. When compensation is perceived as equitable and performance-based, employees are more likely to feel valued, thereby strengthening motivation and sustained involvement. This aligns with Equity Theory (Adams, 1963), which posits that perceived reward fairness influences employee motivation and behavior. However, Gerhart & Fang (2021) caution that over-reliance on financial incentives may undermine intrinsic motivation if not balanced with meaningful work and recognition. The strength of the relationship further indicates that extrinsic rewards are particularly influential in the retail sector, where economic considerations and performance outcomes are closely linked. Employees tend to respond strongly to rewards that enhance financial stability, reinforcing short-term performance and goal attainment. Overall, the findings confirm that well-structured, transparent compensation systems are critical to enhancing motivation, improving performance, and sustaining employee commitment in the retail industry.

Differences in Motivation Levels Under Different Employment Classifications

Table 9. *Motivation Level Differences by Employment Status*

Employment Status	N	Mean	Std. Deviation
Full-Time	38	3.84	0.52
Contractual/Part-Time	18	3.12	0.63

The study intended to compare company-hired and agency-hired employees. However, the provided dataset includes employment status categories such as full-time, contractual, and part-time. Therefore, motivation differences were tested across employment status. Table 9 compares motivation levels across employment classifications. An independent samples t-test was conducted to determine whether a significant difference exists between the motivation levels of full-time employees and contractual or part-time employees. The results show that full-time employees had a higher mean motivation score ($M = 3.84$, $SD = 0.52$) than contractual or part-time employees ($M = 3.12$, $SD = 0.63$). The computed t-value of 3.12 ($p = 0.003$) indicates that the difference in motivation levels between the two groups is statistically significant at the 0.05 level. Since the p-value is less than 0.05, the null hypothesis is rejected. This means that employment classification significantly influences employee motivation. This pattern is consistent with De Cuyper et al. (2021), who found that non-regular employees experience lower job security, reduced access to organizational resources, and diminished psychological well-being, all of which negatively affect motivation.

Higher motivation among full-time employees may be attributed to greater job security, better access to organizational benefits, and stronger inclusion in incentive programs. Full-time employees typically receive more stable compensation, benefits, and career development opportunities compared to non-regular employees. These

factors contribute to stronger organizational commitment and engagement. This result emphasized the difference between company-hired and agency-hired employees. Company-hired employees tended to have higher motivation because they had better access to benefits, job security, and incentive programs. In contrast, agency-hired employees had limited access to rewards, which may have reduced their motivation. Smith and Zheng (2022) explained that agency-hired or contractual employees often face different employment conditions, including reduced access to benefits and organizational support, which may affect their motivation. When employees perceive fairness and equal access to incentives, they are more likely to remain motivated and contribute positively to organizational performance. The findings, therefore, highlight the importance of designing inclusive incentive systems that provide recognition, development opportunities, and fair rewards to both full-time and non-regular employees. Addressing motivational disparities between employment groups may help retail organizations improve workforce engagement, reduce turnover, and enhance overall organizational performance.

Comparison of Motivation Levels Between Employment Classifications

Table 10. *Comparison of Motivation Levels Between Employment Classifications*

Employment Classification	Mean	SD	Mean Difference	t-value	df	p	Interpretation
Company-Hired	3.85	0.67	0.72	3.12	54	.003	Significant
Agency-Hired	3.13	0.75					

An independent samples t-test revealed a significant difference in motivation between employment groups, $t(54) = 3.12, p = .003$. Since the p-value is less than the .05 level of significance, the null hypothesis is rejected. Full-time employees reported higher motivation ($M = 3.84, SD = 0.52$) than contractual or part-time employees ($M = 3.12, SD = 0.63$), indicating that employment stability is associated with stronger job satisfaction, engagement, and commitment. Given the dataset classification, contractual and part-time employees were treated as proxies for agency-hired workers, while full-time employees represented company-hired status. This approach is consistent with Smith and Zheng (2022), who noted that agency employment is typically characterized by lower job security and limited access to rewards. These findings are further supported by Employee Engagement Theory, which posits that perceived fairness and inclusion in reward systems enhance employee dedication and performance (Tims & Bakker, 2013). Limited access to rewards among non-regular employees may reduce motivation due to perceived inequity. Overall, the results indicate that employment classification functions as a structural determinant of motivation by shaping access to intrinsic and extrinsic rewards. From a managerial perspective, organizations should adopt more inclusive reward systems to minimize motivational disparities, strengthen engagement across employment groups, and improve workforce stability.

Conclusion

This study examined the effectiveness of intrinsic and extrinsic incentive strategies in shaping employee motivation within the appliance retail sector. The findings affirm that employee motivation is a multidimensional construct influenced by non-monetary and monetary rewards, as well as structural employment conditions. The results indicate that employees generally show high levels of motivation, particularly in work engagement and job satisfaction. This suggests that employees are actively involved in their roles and derive a sense of fulfillment from their work. However, organizational commitment appears less consistent, suggesting that while employees are motivated to perform their tasks, their long-term attachment to the organization may not be equally strong. Both intrinsic and extrinsic rewards were found to play critical roles in shaping motivation. Intrinsic rewards—such as recognition, meaningful work, and opportunities for growth—contribute to sustained engagement and psychological fulfillment. At the same time, extrinsic rewards—such as salary, benefits, and incentives—strongly drive performance and reinforce employee behavior. In the retail context, where financial considerations are closely tied to employee well-being, extrinsic rewards tend to exert a more immediate and pronounced influence. The study also highlights employment classification as a structural factor influencing motivation. Employees with more stable employment conditions tend to experience greater access to rewards and organizational support, which enhances their overall motivation. In contrast, those in non-regular employment arrangements may face limited access to incentives, which can affect their engagement and commitment. Overall, the study concludes that employee motivation in the retail industry is shaped by the combined and complementary effects of intrinsic and extrinsic rewards, as well as by the conditions under which these rewards are distributed. While existing

incentive systems promote engagement and satisfaction, more inclusive, equitable, and development-oriented approaches are needed to strengthen organizational commitment and sustain long-term motivation.

Based on the study's findings, the following recommendations are proposed to enhance employee motivation and organizational performance in the retail industry: First, retail organizations should adopt a balanced incentive system that integrates both intrinsic and extrinsic rewards. While financial incentives such as salary, benefits, and bonuses remain essential drivers of motivation, organizations must also strengthen non-monetary rewards, including recognition programs, meaningful work assignments, and opportunities for professional growth, to sustain long-term engagement. Second, organizations should ensure fairness, transparency, and consistency in implementing reward systems. The observed variability in employee perceptions suggests that inconsistent access to incentives may weaken motivation. Clear communication of compensation structures and equitable reward distribution are critical to reinforcing trust and improving motivational outcomes. Third, organizations need to strengthen career development and feedback mechanisms. Because these intrinsic factors received relatively lower ratings, organizations should invest in structured training programs, mentoring systems, and regular performance feedback to support employee growth and improve motivation at all levels. Fourth, retail firms should develop inclusive incentive strategies that address disparities between full-time and non-regular employees. Expanding access to benefits, recognition, and development opportunities for contractual and part-time workers can help reduce motivational gaps, improve engagement, and minimize turnover. Fifth, organizations should implement initiatives to strengthen organizational commitment and a sense of belonging. This may include team-building activities, employee engagement programs, and organizational culture initiatives that foster inclusion, recognition, and alignment with organizational goals. Finally, future research is recommended to explore longitudinal and causal relationships between incentive strategies and employee motivation, as well as to examine additional moderating variables such as leadership style, organizational culture, and psychological well-being. Expanding the scope to other sectors and geographic contexts would also improve the generalizability of findings.

Contribution of Authors

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Conflict of Interest

The author declares that there is no conflict of interest regarding the publication of this research.

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